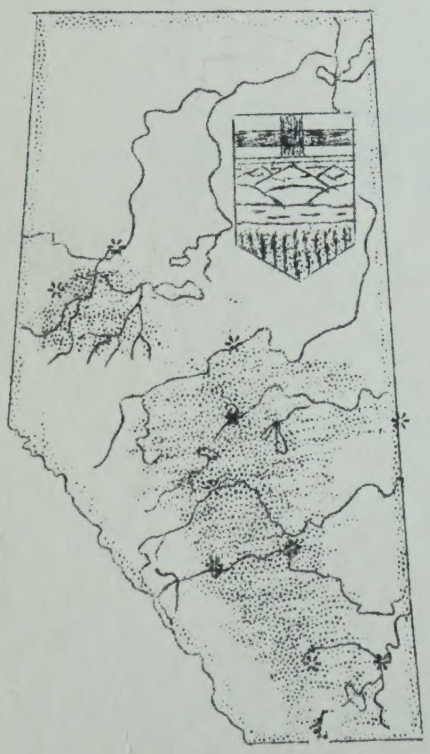
THE CO-OPERATIVE ACTIVITIES AND CREDIT UNION BRANCH

Department of Industry and Development

ANNUAL REPORT

1959



H. W. Webber
Supervisor

THE CO-OPERATIVE ACTIVITIES AND CREDIT UNION BRANCH

DEPARTMENT OF INDUSTRY AND DEVELOPMENT

616 Administration Building,
109th Street and 98th Avenue,

Edmonton, Alberta

The Honourable A. R. Patrick,
Minister,
Department of Industry & Development,
Legislative Building,
Edmonton, Alberta

Sir:

I have the honour to submit herewith the Annual Report of the Co-operative Activities and Credit Union Branch of your Department, covering the operations for the year 1959.

Yours faithfully,

H. W. Webber

H. W. Webber, Supervisor
Co-operative Activities
and Credit Union Branch

CO-OPERATIVE ACTIVITIES AND CREDIT UNION BRANCH

DEPARTMENT OF INDUSTRY AND DEVELOPMENT

ANNUAL REPORT

FOR 1959

The Honourable A. R. Patrick
Minister

Mr. J. E. Oberholtzer
Deputy Minister

H. W. Webber, Supervisor
T. Wm. Nordon, Deputy Supervisor
C. W. Milner, Senior Credit Union Examiner
B. Martin, Senior Credit Union Examiner

G. H. Heath, Co-operative Assistant
J. E. Lambert, Co-operative Examiner
L. E. Olivier, R. E. A. Assistant
D. Kobasiuk, Chief Clerk
Wm. Mercer, Credit Union Examiner

F. H. Phillips, Credit Union Examiner
J. E. Letts, Credit Union Examiner
Ian Fraser, Credit Union Examiner
Colin Grant, Credit Union Examiner
K. Valk, Credit Union Examiner

Head Office, Edmonton, Alberta

Branch Office, Calgary, Alberta

SUMMARY

The Co-operative Activities and Credit Union Branch must attempt to budget for a slight increase in expenditure in 1960 - 61.

The expenditure for office equipment will be reduced from 1959 - 60, but due to the fact that car 516 will warrant replacement in the fiscal year, an over all increase is necessary.

During the next year, the Clerk-Typist, forecast for addition last year, should be hired, but before doing so, additional space will be essential.

While supervision of co-operatives generally must be maintained, on a minimal basis due to size of staff, examination of credit unions is continued in detail. In several instances, a great deal of additional time was spent by the Examiners in regard to examinations and other detail work necessary to keep Treasurers and other officers on the right track.

Although the volume of work has grown in number of entries in rural electrification accounting, the dollar volume has not kept pace with the detail work.

The work of preparing ledger cards for machine operation is virtually complete. With the growth in volume, it was felt that a second panel should be obtained for the machine, so that when the machine is installed, it will be possible to handle each type of R. E. A. transaction on its own panel.

The transition to machine accounting will still be dependent upon a suitable location for the machine and its operators.

The Branch has been successful in encouraging a growing number of rural electrification associations and their members to look favorably upon the refinancing of accounts in arrears. The provisions of the Long Term Act which allow for such refinancing has been the means whereby members were enabled to bring their accounts into good standing over the year.

Credit Unions continue to be examined in detail by staff Examiners. In many instances, a great deal of extra time must be spent to follow up on work outside the scope of normal examinations.

SUMMARY

Continued

The Credit Union Act was given a major overhaul to bring its provisions into line with practices which have resulted from the day to day growth and development of credit unions in the past twenty-one years.

Enabling legislation was passed, allowing the setting up of a Stabilization Fund, to underwrite any credit union losses and to provide assistance in overcoming difficulties due to adverse economic conditions or other problems.

The Credit Union League of Alberta set up stabilization regulations in their By-Laws, and the first assessments will be made from 1959 earnings.

The work level in the Branch continues to grow. There are few if any peaks throughout the year.

In all cases, when the staff of the Branch meets the public, good public relations are kept in mind. As a result, relations with co-operatives and credit unions continue to be most cordial.

THE CO-OPERATIVE ACTIVITIES AND CREDIT UNION BRANCH

DEPARTMENT OF INDUSTRY AND DEVELOPMENT

ANNUAL REPORT 1959

1959

	Units Reporting	Business Done $	Assets $	Net Worth $	Members
98	Consumer	27,932,513	10,205,388	7,146,409	78,956
23	Livestock	57,698,155	826,444	727,599	18,570
36	Livestock Feeders	6,275,767	1,757,775	223,544	2,182
15	Dairy & Poultry	33,312,628	9,138,450	6,251,433	45,663
34	Seed and Grain	109,827,622	63,964,689	23,793,345	79,891
55	Sundry	8,615,906	4,934,010	2,251,326	12,731
367	Electrical	4,870,852	57,072,771	37,708,591	49,923
246	Credit Unions	73,803,405	23,881,926	1,808,795	70,577
874		322,336,848	171,781,453	79,911,042	358,493

1958

100	Consumer	26,435,141	10,016,162	6,494,671	71,999
24	Livestock	47,667,589	734,319	667,442	18,473
24	Livestock Feeders	4,725,299	912,603	141,987	1,881
17	Dairy and Poultry	31,134,076	10,852,111	5,718,638	45,029
26	Seed and Grain	104,750,960	60,939,890	22,246,693	76,682
47	Sundry	8,601,791	4,371,868	1,775,420	10,398
364	Electrical	5,889,394	52,276,399	34,094,355	40,500
255	Credit Unions	62,348,914	19,515,791	1,455,438	62,733
857		291,553,164	159,618,843	72,594,644	327,695

1957

96	Consumer	24,029,917.47	8,470,127.14	5,878,568.93	69,594
29	Livestock	38,991,764.99	747,185.29	684,508.75	15,591
28	Livestock Feeders	4,717,121.54	1,175,473.49	160,495.77	1,673
14	Dairy and Poultry	27,650,722.42	8,185,377.57	5,336,633.71	49,646
23	Grain and Seed	107,996,420.60	62,776,828.20	21,975,656.85	88,781
42	Sundry	11,522,143.53	2,702,029.26	1,320,193.98	8,863
364	Electrical	5,120,163.00	46,312,465.00	30,930,345.00	37,700
246	Credit Unions	42,904,853.00	15,247,327.77	1,015,709.58	54,500
842		262,933,106.55	145,616,813.72	67,302,112.57	326,348

LEGISLATION

THE CO-OPERATIVE ASSOCIATIONS ACT

No amendments are proposed for this Act .

THE RURAL ELECTRIFICATION REVOLVING FUND ACT

No amendments are proposed for this Act.

THE RURAL ELECTRIFICATION LONG TERM FINANCING ACT

No amendments are proposed for this Act.

THE CREDIT UNION ACT

No amendments are proposed for this Act.

THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

One small amendment is proposed for this Act, to allow liquefied petroleum gas associations to qualify for assistance under this Act.

RURAL ELECTRIFICATION

1959

This year marks the thirteenth year of major development of Rural Electrification in Alberta.

Only 505 farms had power in 1943, now over 49,500 farms have the advantage of central station power, an increase of over 49,000 over all and an increase of 4,500 in 1959.

Almost all of this increase has taken place since 1947 as in that year, the first REA loans under the guarantee of the Provincial Treasurer were granted.

It may be considered that over 70% of all farms in the Province have now been electrified; power is now available to virtually all the farming areas of the Province. The exceptions are a few small, isolated areas in the far north, and ways and means of bringing power to these small areas are under study.

FINANCING

DISBURSEMENTS
Under The Rural Electrification Revolving Fund Act

Total Amount loaned to December 31, 1959 . . . . . $29,276,863.87
1959
Total Amount loaned from
The Rural Electrification Revolving Fund . . $4,577,910.87
1959
Rural Electrification Revolving Fund
Total Amount Loaned Part 1 . . . . . $2,749,318.89
Total Amount Loaned Part 2 . . . . . $ 193,147.00

Long Term Act
Amount Loaned 1959 . . . . . $1,635,444.98

BALANCE OUSTANDING December 31, 1958 . . . . . $17,139,373.24

Amount loaned in 1959 . . . . . $4,577,910.87
Less repayments 1959 . . . . . $2,391,463.16

Excess of loans over repayments 1959 . . . . $2,186,447.71 (Includes (Adjustments

TOTAL OUTSTANDING December 31, 1959 . . . . . $19,345,921.28

[illegible]

[illegible] a per development [illegible] electricity in Liberia.

[illegible] 1960, now over 40,500 from [illegible] rural areas, or increase of over [illegible] increase [illegible] 1960.

[illegible] in rural areas [illegible] since 1947 [illegible] the Ford Foundation under the auspices of the [illegible] Government [illegible].

[illegible] that over 70% of all farms in the [illegible] have now been electrified; power is now available to virtually all the [illegible] areas [illegible]. The exceptions are a few small, isolated areas [illegible], and areas and causes of heating [illegible] to [illegible] areas are under study.

[illegible]

[illegible]

[illegible] electrification involving Ford Aid

[illegible] to [illegible] 31, 1960 . . . . . 28,272,000.47

[illegible]

[illegible] Ford [illegible]

[illegible] 1960 . . . . . 7,772,[illegible]

[illegible]

[illegible]	[illegible]
[illegible]	7,[illegible],[illegible],80
[illegible]	188,142,00

[illegible]

[illegible] . . . . . [illegible],[illegible],[illegible].88

[illegible] 1960 . . . . . 317,186,313.[illegible]

[illegible] 1960 . . . . . 38,377,[illegible].87
[illegible] 1960 . . . . . 29,391,288.16

[illegible] (Included [illegible] (Without [illegible]

[illegible] 1960 . . . . . 26,780,487.[illegible]

[illegible] December 31, 1960 . . . . . [illegible]

REVOLVING FUND PART 1

Balance Oustanding December 31, 1958			$12,828,960.29
Loaned During 1959	$2,749,318.89		
Repayments during 1959	$2,272,541.23		
Excess of Loans Over Repayments, 1959	$ 476,777.66	(Includes (Adjustments	
Balance Outstanding December 31, 1959			$13,690,398.72

REVOLVING FUND PART 2

Balance Outstanding December 31, 1958			$ 1,077,004.77
Loaned during 1959	$ 193,147.00		
Repayments during 1959	$ 229,731.67		
Excess of Repayments over Loans 1959	$ 36, 584.67	(Includes (Adjustments	
Balance Outstanding December 31, 1959			$ 1,045,590.38

REPAYMENTS

Repayments may be broken down as follows:

Amount assumed by new members	$ 113,623.36
Construction refunds	$ 116,108.31
Total Repayments during 1959	$ 229,731.67

LONG TERM FINANCING

Balance Outstanding December 31, 1958		$ 3,233,408.18
Loaned during 1959	$1,635,444.98	
Repaid in 1959	$ 372,927.04	
Excess of Loans Over Repayments 1959	$1,262,517.94	
Balance Outstanding December 31, 1959		$4,609,932.18

1959 REPAYMENTS - - $2,875,199.94

	PRINCIPAL	INTEREST
Revolving Fund Part 1	$1,902,559.47	$369,472.64
Revolving Fund Part 2	$ 229,731.67	.....
Long Term	$ 259,172.02	$114,264.14
TOTAL	$2,391,463.16	$483,736.78

Gross Amount Repaid 1959 . . . . . .$2,875,199.94.

Total Principal Repaidto December 31, 1959 . . . .$9,950,971.11
Total Interest Returned to General Revenue $1,928,631.13

Gross Amount Repaid to December 31, 1959 . . . .$11,879,602.24

GUARANTEED LOANS

Balance Outstanding December 31, 1958 . . . . . .$1,014,905.63

Repayments during 1959
to September 30 only . . . . . .$ 206,706.54

Loans granted in 1959 . . . . . $ 12,155.00

Nominal reduction of loans
in force 1959 . . . . . $194,551.54

Balance Outstanding as at September 30, including
accrued interest . . . . . $ 818,199.09

Guaranteed Loans have assisted 16,077 farmers to install power on their farms. Of these, only 15 were electrified by this means in 1959.

Since the inception of guarantees for rural electrification, a total of $6,776,977.85 has been guaranteed by the Provincial Treasurer. Of this amount, only $2,376.32 has been written off under this legislation.

REFINANCING

A total of 1350 members have had loans refinanced from their present financing to Long Term financing, thus bringing their accounts into good standing.

Some 800 farmer members have converted from financing under the ten year Revolving Fund plan, to the Long Term, up to 25 year plan.

Some 550 farmers have brought their guarantee accounts up to date by refinancing under Long Term, and have signed lien notes.

COMPARISONS

	1957	1958	1959
Total farms hooked up	41,130	45,000	49,923
R.E.A. members hooked up	35,859	40,500	45,000
Increase in R.E.A. membership	4,283	4,641	4,500
TOTAL of associations in Alberta	924	927	954
Total Credit Unions in Alberta	241	244	249
Total Co-operatives in Alberta other than credit unions	683	683	705

TYPES OF CO-OPERATIVES

ELECTRICAL	368	364	367
CONSUMER	104	103	104
LIVESTOCK MARKETING	48	41	39
LIVESTOCK FEEDERS	39	41	41
GRAIN AND SEED	36	39	48
DAIRY AND POULTRY	18	18	17
COMMUNITY HALLS	16	16	17
FROZEN FOOD LOCKERS	5	5	5
SUNDRY	49	56	67
	683	683	705

REGISTERED in 1959 .....
..... 3 rural electrification associations
..... 5 consumer co-operatives
..... 3 livestock marketing
..... 9 seed and grain
..... 3 community halls
..... 13 sundry co-operatives

INACTIVE in 1959 ..... 14 groups notified us that they had ceased operations.

AMALGAMATED ..... 2 Feeder type associations, now under one charter

RE-ACTIVATED ..... 1 Feeder Association

SUNDRY				
	Art. Breeding	17	Hail Suppression	2
	Building	2	Real Estate	4
67	French Land	6	Snow Plow	2
	Gas	5	Wholesale	1
	Grazing	5	Various	23

CONSUMER

Consumer co-operatives show an increase of over $1\frac{1}{2}$ million dollars in total sales. This is a new high, and indicates that co-operative retail outlets are retaining member loyalty and continuing to give good service.

New stores, and modernization of existing premises have been undertaken in several instances in order to provide more effective competition.

Five consumer organizations were incorporated in 1959; of these, two were fuel oil co-operatives, and one was an autonomous co-operative, incorporated to buy out a retail store owned by the A. C. W. A.

ALBERTA CO-OPERATIVE WHOLESALE

Sales on the wholesale level were almost seven million dollars, up three-quarters of a million dollars from 1958.

The financial condition continues to improve and the association is proving of great value to its member stores in providing a means of combatting other competition.

UNITED FARMERS OF ALBERTA CO-OP

The U. F. A. again exceeded its 1958 records. A patronage dividend of 9% was declared on 1958 business. Total assets now amount to over four million dollars, with members' equity being almost three million dollars.

Petroleum sales amounted to over $\$8\frac{1}{2}$ millions and farm supplies amounted to over $\$2\frac{1}{2}$ millions -- an increase of over one million dollars, in each Department.

LIVESTOCK MARKETING

Three new live stock associations were incorporated during the year.

Reports for 1959 were more complete than in 1958, and show an increase of $10 millions in co-operative marketing.

For the first year in its history, the Walsh Cattle Marketing Association exceeded one million dollars worth of cattle sold by auction through its Yards.

ALBERTA LIVESTOCK CO-OPERATIVE

A. L. C. showed an increase of five million dollars in livestock handlings for the year. A net surplus of over $96,000 was available for distribution to members. This was an increase of $18,000 from the previous year.

FEEDER ASSOCIATIONS

No feeder associations were incorporated in 1959. One amalgamation was effected, and one association re-activated, resulting in no change in numbers.

Handlings of feeder stock amounted to $6.3 millions for the year, up $1½ millions from 1958.

SEED AND GRAIN

Co-operative handlings of seed and grain are now concentrated almost entirely in the two large co-operative organizations, the Alberta Wheat Pool - including its Seed Division, to handle forage crop seeds - and, the United Grain Growers.

Handlings of grain through co-operative outlets amounted to $110 millions, up $5 millions from 1958.

SEED CLEANING PLANTS

Thirty-four seed cleaning associations were ready to clean grain in Alberta at year end. Nine new associations were incorporated in 1959, and five plants were completed during the year.

The twenty-nine plants cleaning grain in the 1958-59 season cleaned 5,801,336 bushels; of this 5,161,095 was cleaned as seed, and fungicide treating of 1,662,796 bushels was also carried out.

DAIRY AND POULTRY

The dairy plants experienced another very successful year in 1959. Sales were at another all time high of over $33 millions, up $2 millions over 1958.

The Northern Pool again paid out large final payments at year end, in addition to paying competitive prices throughout the year.

The Central Pool's volume also increased, and it was possible to pay a final payment at the rate of 4% of purchases.

The Viking Co-operative Creamery continues to find that membership loyalty is difficult to maintain since it is so close to the area served by the N. A. D. P.

Cardston Co-operative: At Cardston, the question of validity of shares erupted into the open in 1959.

An attempt to clarify the matter with documents on file in this office was not successful, due to the fact that the Solicitor retained by the Board took the attitude that the shares in question were of no value, and would not consider any other viewpoint. The whole matter has now passed out of the hands of the Branch, and if further action is taken, it will be in a Court of Law.

OTHER CO-OPERATIVES

Three artificial breeding associations were incorporated in 1959; there are now 16 active associations.

In addition, the Alberta Association of Artificial Breeders was formed to act as a central clearing agency to deal with common problems.

Alberta Honey Producers handlings in 1958 - 59 were up from the previous year, and in spite of the previous carryover, it was possible to show increased earnings, and thus a satisfactory return to the producer.

Two new rural fire prevention co-operatives were incorporated in 1959. The Leduc Association bought the first co-operative fire engine in the Province, and have been able to use it successfully on several fires, thus proving its worth.

GAS: The problem of rural natural gas distribution has as yet not been solved. The high cost of installation, and the failure to date, to come up with an acceptable substitute for steel pipe, have been deterrents to this type of service.

One propane co-operative was incorporated to purchase and distribute propane gas to its farmer members.

CO-OPERATIVE FARM - One co-operative farm was incorporated in 1959. The intention of this group, is to retain title to their land holdings, but to own everything else as members of the Co-op.

GRAZING - Three grazing associations were incorporated during the year. In each case, these associations expect to negotiate leases with the Department of Lands and Forests, for grazing privileges.

REQUESTS FOR INCORPORATION UNDER CO-OPERATIVE LEGISLATION

Inquiries have been received from several groups wishing to use The Co-operative Associations Act to incorporate various types of organizations. These inquiries are checked, and the best possible advice given.

One group in question wished to set up for the purpose of marketing specialty dairy products. When the regulations which applied were pointed out to those concerned, they apparently decided against going further, as we have heard nothing more from them.

Other inquiries have been made with the view to investigating the possibility of setting up a co-operative milking parlor, a co-operative feed mill, a grain drying enterprise, lumbering, snow plow group, and so on.

All inquiries receive a sympathetic hearing.

CO-OPERATIVE ASSOCIATIONS REGISTERED IN ALBERTA IN 1959

Charter #	NAME
1068	Bashaw seed cleaning Co-operative Association Limited
January 30	Bashaw
1069	Queenstown Seed Cleaning Association Limited
February 4	Queenstown
1070	Beaverlodge Seed Cleaning Association Limited
February 4	Beaverlodge
1071	County of Beaver Seed Cleaning Co-operative Association Limited
February 5	Holden
1072	Beaver River Co-op Limited
February 12	Fort Kent
1073	Viking District Fire Protection Association Limited
February 16	Viking
1074	New Dayton Purchasing Pool Limited
February 23	New Dayton
1075	Strathmore Co-operative Association Limited
February 26	Strathmore
1076	Pine Coulee Grazing Association Limited
March 17	Stavely
1077	Pincher Creek Artificial Breeders Association Limited
March 26	Pincher Creek
1078	Writing-On-Stone Grazing Association Limited
April 8	Milk River
1079	Arrowwood Seed Cleaning Co-operative Association Limited
April 6	Arrowwood
1080	Barrhead District Seed Cleaning Co-op Limited
April 10	Barrhead
1081	Flagstaff Artificial Insemination Association Limited
April 13	Sedgewick
1082	Cardston Artificial Insemination Association Limited
April 10	Cardston
1083	Starland Seed Cleaning Plant Limited
April 28	Delia
1084	Innisfail Beef Breeders Association Limited
May 5	Innisfail
1085	Innisfail Farm Fire Association Limited
May 6	Innisfail
1086	Trochu-Three Hills Livestock Association Limited
May 19	Trochu
1087	Fringe Rural Electrification Association Limited
May 21	Province Wide
1088	Park Co-op Limited
May 25	Mundare
1089	German Canadian Co-operative Association Limited
June 8	Edmonton
1090	Bowell Rural Electrification Association Limited
June 16	Redcliff

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1076	Pine Coulee Grazing Association Limited
March 17	Stavely
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March 26	Pincher Creek
1078	Writing-On-Stone Grazing Association Limited
April 8	Milk River
1079	Arrowwood Seed Cleaning Co-operative Association Limited
April 6	Arrowwood
1080	Barrhead District Seed Cleaning Co-op Limited
April 10	Barrhead
1081	Flagstaff Artificial Insemination Association Limited
April 13	Sedgewick
1082	Cardston Artificial Insemination Association Limited
April 10	Cardston
1083	Starland Seed Cleaning Plant Limited
April 28	Delia
1084	Innisfail Beef Breeders Association Limited
May 5	Innisfail
1085	Innisfail Farm Fire Association Limited
May 6	Innisfail
1086	Trochu-Three Hills Livestock Association Limited
May 19	Trochu
1087	Fringe Rural Electrification Association Limited
May 21	Province Wide
1088	Park Co-op Limited
May 25	Mundare
1089	German Canadian Co-operative Association Limited
June 8	Edmonton
1090	Bowell Rural Electrification Association Limited
June 16	Redcliff

CREDIT UNIONS
INCORPORATIONS AND CANCELLATIONS

In all, ten new groups applied for and received their charters during 1959. Nineteen charters were cancelled during the year, however this is not as bad as it would appear in that fifteen of the above were old credit unions, previously struck off, but had never been fully cancelled.

The disposition of the 351 charters issued to December 31, 1959 is shown in the table below:

Reporting credit unions	Northern Area	118	
	Southern Area	128	246
New, not yet reporting	Northern Area	1	
	Southern Area	2	3
Dissolved			80
Amalgamated			3
Inactive	Northern Area	13	
	Southern Area	0	13
Federations			2
			347
Charters cancelled due to error in registration			4
Last charter number			351

The ten new charters granted were broken down as follows: 3 Urban-Rural Communities, 3 Associational, 2 Industrial, 1 Governmental, and 1 Parochial. There are 249 active groups as at the year end, including Federations.

INCORPORATIONS

#		
342	Calgary Co-op Store	Associational
343	Hinton & District	Urban-Rural
344	Sundre & District	Urban-Rural
345	Fellowship	Parochial
346	E. B. & C. T. C.	Associational
347	The Alberta Teachers' Association	Associational
348	Station Cold Lake	Governmental
349	Employees of MacCosham	Industrial
350	Innisfail & District	Urban-Rural
351	SOC	Industrial

EXAMINATIONS COMPLETED

Calgary Office	Regular	109			
	Supplemental		19	128	
Edmonton Office	Regular	105			
	Supplemental		10	115	243
Not Examined					
Calgary Office	Regular	---			
	Supplemental		--		
Edmonton Office	Regular	---			
	Supplemental		5		5

The work of the credit union personnel for 1959 is briefly outlined below.

The Southern Office completed their regular schedule of examinations during the year, which included 109 regular and 19 supplemental examinations. The Northern Office fell 5 supplemental examinations short of 100% coverage. However there were two credit unions examined twice during 1959 due to the condition of their books.

There was no interchange of Examiners between North and South this year. As was the case last year, there has been considerably more follow up work done by Examiners in the South; this follow-up aids considerably in the examination work and is greatly facilitated by road conditions and the geographic locations of the groups concerned.

There was only one change in staff during 1959; this was in the Northern Office.

DIVIDENDS
INTEREST RATES
AND
INTEREST REBATES

The trend is to a higher, more uniform rate, with over half of the credit unions in the Province now charging the straight 1% per month. As a result, dividends have also gone up with 57.4% of the credit unions now paying from 3% to 3 3/4%.

There is also a definite trend to smaller interest rebates with the maximum last year of 35% compared to 40% the previous year. This is partially offset however by the fact more credit unions are paying a dividend.

AMALGAMATIONS

The year 1959 saw one amalgamation, this was the South East Alberta Dutch joining the Hatters Credit Union.

DELINQUENCY

The allowable delinquency under Section 46 of The Credit Union Act was reduced this year to 40%. This program is showing very gratifying results. The only credit unions in the Province to have over the allowed percentage of delinquency were already under suspension, and therefore not affected by the ruling. A further reduction is planned over the next two years, which should reduce the allowable delinquency to a reasonable 25%.

CLASSIFICATION OF CREDIT UNIONS

The breakdown as to Bond of Association for the 264 charters in force as at December 31, 1959, as compared to December 31, 1958, are as follows:

TYPE NO.	CLASSIFICATION	NUMBER As at Dec. 31/58	NUMBER As at Dec. 31/59
1	Industrial	59	61
2	Governmental	31	32
3	Parochial	29	30
4	Associational	27	30
5	Urban Community	34	34
6	Rural Community	34	34
7	Urban - Rural Community	38	41
8	Federation	3	2
		262	264

The above table will indicate to the reader the number of credit unions in each classification. There are a number of credit unions that fall into two classifications where this occurs, consideration has been given to the most basic.

STATISTICS - - General

	1957	1958
No. of Members	56,094	62,879
Loans:		
Granted	$11,670,406.18	$14,822,687.69
Granted Since Inception	70,412,070.49	85,234,758.18
Written Off	15,368.26	15,579.44
Written Off Since Inception	50,663.10	66,242.54
% Written Off Since Inception	.072	.077 *

Average Member's Share Holding	$245.30	$270.94
Average Member's Savings	260.35	287.11
Average Asset per Member	288.37	315.34
Percentage of Loans to Assets	75.9	74.9
Percentage of Liquid Assets	21.2	21.9

COMPARATIVE CONSOLIDATED SURPLUS STATEMENT
For The Period January 1st to December 31st, 1958

	1957	1958	Increase or Decrease*	%
Total Surplus (including Fees and Fines)	$633,842.48	$777,996.91	$144,154.43	22.7
Allocation				
Reserve Fund	129,300.53	156,720.41	27,419.88	21.2
Education Fund	4,489.48	4,426.11	63.37*	1.4
Dividend Paid	386,195.92	483,887.15	97,691.23	25.3
Interest Rebate	96,295.61	101,523.96	5,228.35	5.4
Honorariums	4,189.70	4,540.43	350.73	8.3
Miscellaneous	3,094.52	4,144.38	1,049.86	33.9
Undivided Earnings	10,276.72	22,754.47	12,477.75	121.4
	633,842.48	777,996.91	144,281.17	

The figures shown are for all credit unions reporting in 1958.

The number of credit unions using previously accumulated Undivided Earnings to pay Dividends, etc. was seventy-nine. The amount so used was $11,260.35.

CONSOLIDATED BALANCE SHEET FOR ALBERTA CREDIT UNIONS

ASSETS	As at November 30/58	As at November 30/59
Loans	$14,777,270.69	$18,616,549.13
Cash	1,347,390.49	1,120,919.73
Investments	2,783,359.18	3,357,804.21
Furniture and Fixtures	113,771.53	127,614.01
Real Estate	385,874.56	477,011.11
Others	108,124.20	182,027.41
TOTAL ASSETS	19,515,790.65	23,881,925.60
LIABILITIES		
Shares	16,726,385.65	20,240,332.69
Deposits	1,051,279.57	1,103,695.07
Accounts Payable	282,687.71	729,102.48
Education Fund	6,053.48	8,451.25
Guaranty Fund	628,674.49	756,820.92
Undivided Earnings	120,443.57	142,596.23
Profit and Loss	700,266.18	900,926.96
TOTAL LIABILITIES	19,515,790.65	23,881,925.60

ALBERTA CREDIT UNIONS - - 2 YEAR STATISTICAL COMPARISON

	November 30, 1958			November 30, 1959		
	Amount	Increase 12 Months	%	Amount	Increase 12 Months	%
Assets	$19, 515, 790. 65	$ 3, 557, 237. 85	22. 3	$23, 881, 925. 60	$ 4, 366, 134. 95	22. 37
Share Capital	16, 726, 385. 65	3, 184, 783. 03	23. 5	20, 240, 332. 69	3, 513, 947. 04	21. 00
Deposits	1, 051, 279. 57	198, 443. 34	23. 3	1, 103, 695. 07	52, 415. 50	4. 98
Loans Outstanding	14, 777, 270. 69	2, 452, 874. 19	19. 9	18, 616, 549. 13	3, 839, 278. 44	25. 98
Investments	2, 783, 359. 18	689, 139. 46	32. 9	3, 357, 804. 21	574, 445. 03	20. 64
Cash	1, 347, 390. 49	574, 858. 24*	29. 9*	1, 120, 919. 73	226, 470. 76 *	16. 81*
Reserve Fund	628, 674. 49	118, 210. 76	23. 1	756, 820. 92	128, 146. 43	20. 38
Loans Made Previous 12 Months	13, 945, 845. 80	2, 475, 443. 22	21. 6	17, 147, 418. 59	3, 201, 572. 79	22. 96
Loans Repaid Previous 12 Months	11, 980, 860. 16	2, 165, 877. 61	22. 0	13, 308, 140. 15	1, 327, 279. 99	11. 08
Loans Since Inception	84, 000, 027. 38	13, 914, 014. 37	19. 8	101, 147, 445. 97	17, 147, 418. 59	20. 41
TOTAL TURNOVER	62, 348, 913. 53	10, 521, 515. 73	20. 3	73, 803, 405. 49	11, 454, 491. 96	18. 37
Membership	62, 733	6, 978	12. 5	70, 577	7, 844	12. 50

ALBERTA CENTRAL CREDIT UNION

Assets	1, 111, 345. 27	170, 287. 05	18. 1	1, 502, 276. 89	390, 931. 62	35. 18
No. of Credit Unions:						
Reporting		244		246		
Dissolved		77		80		
Inactive		8		13		
Amalgamated		2		3		
Federations		3		2		
New, Not Reporting		3		3		
Incorporated To Date		337		347		
Charters Cancelled Prior to Issue		4		4		
		341		351		

1959 RECAPPED

Once again the credit union movement in Alberta has proved itself worthy of the support of its members, and has received that support in such a manner as to mark up notable gains in all aspects of its growth.

Some of the milestones passed include a membership of over seventy thousand, or one person out of every eighteen living in the Province. This group have now loaned each other well over one hundred million dollars during the past twenty-one years. During November the share savings of these people grew to the point where it exceeded twenty million dollars, with total assets amounting to just under twenty-four million dollars. There has been an average increase in all aspects of credit union work of approximately 20%.

There are now 246 active credit unions reporting regularly and 3 others who have just recently received their charter and are still on the "new, not reporting" list. While this represents an increase of only 3 over 1958, there has been considerable consolidation work carried out. Six inactive credit unions were dissolved, and 5 were either suspended or went inactive on their own. There was an active program to clean up existing inactive groups, this will be continued into 1960 with the view of putting the existing credit unions on a sounder footing.

There were 10 charters granted during the year, with all ten off to a good start. One group in particular, Station Cold Lake, have started with a bang. In just three months, they have accumulated over $147,000 in shares, and have loaned out $182,000. As of November 30, they ranked seventh in membership, with over 1,000 members.

During 1959, there was considerable increase in the work done by the Branch. This was brought about by the natural growth of the existing credit unions, increased work to write off and liquidate some of the older inactive groups, plus the fact more time is being given to new groups being organized in an effort to ensure a better chance of success. Further, there was considerable time spent on several credit unions in an attempt to bring their books up to date. The Supplemental Examination program was carried out again this year and while time-consuming, it had the very gratifying effect of giving a much closer contact between the larger credit unions and our offices.

At the Examiners' Conference this year, a new Examination Report form was adopted. It is a much more concise form, with more emphasis on the written report, rather than on questions and answers. Further, it was agreed, the numerical and adjective rating would be dispensed with, however we will be keeping on file in our office a revised numerical rating sheet.

It is felt there has been an increasing degree of co-operation between our Branch and the organized Credit Union Movement, represented by The Credit Union League of Alberta. We have met together on several occasions over the past year, with all the meetings proving to be to our mutual advantage. Perhaps paramount of this, was the co-operation achieved in the initiating of the Stabilization Plan.

There were several meetings to discuss the matter of audits and examinations for the larger credit unions. There was interest shown at these meetings in a suggestion that our Branch take over the examination of all credit unions; once again, however, on a referendum conducted by the League, it was revealed that there was not sufficient backing for the suggestion, to warrant a change.

In conclusion, it is felt that 1959 has been a good year for the Branch -- much has been accomplished, and we can all look forward to 1960, as another year of progress.

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CONCLUSION

To finalize this Annual Report, I have the honor to report, that the best efforts of this Branch are always put forth to assist the various co-operatives and credit unions of the Province.

The work load of the Branch has kept pace with the growth of co-operative development.

During 1959, Mr. L. E. Olivier was promoted from Chief Clerk, to Rural Electrification Assistant.

Mr. Dan Kobasiuk was employed to replace Mr. Olivier as Chief Clerk.

Mr. William Mercer was employed as a Credit Union Examiner, so as to have a training period, before the retirement of Mr. H. E. Heath, in February.

On the retirement of Mr. H. E. Heath, Deputy Supervisor, Mr. T. Wm. Nordon was promoted as Deputy Supervisor.

Mr. B. Martin of Calgary, and Mr. C. W. Milner of Edmonton, were promoted as Senior Examiners, in charge of Credit Union Examination work in Calgary and Edmonton respectively.

We attempt as always, to promote good public relations between the Branch and the co-operative organizations and individuals with whom we deal.

We attend meetings whenever possible, and make personnel and office facilities available for any legitimate service.

All of the above is respectfully submitted as the Annual Report of the Co-operative Activities and Credit Union Branch of the Department of Industry and Development.

H. W. Webber

H. W. Webber,
Supervisor,
Co-operative Activities
and Credit Unions

hww/ma
January 20, 1960

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Co-operative Activities and
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